

REPORT TO SHEFFIELD CITY COUNCIL AUDIT COMMITTEE

21 July 2015

Internal Audit Report on Progress Against High Opinion Audit Reports.

Purpose of the Report

1. The purpose of this 'rolling' report is to present and communicate to members of the audit committee progress made against recommendations in audit reports that have been given a high opinion.

Introduction

2. An auditable area receiving a high opinion is considered by internal audit to be an area where the risk of the activity not achieving objectives is high and sufficient controls were not present at the time of the review.
3. This report provides an update to the audit committee on high opinion audit reports previously reported. Where internal audit has yet to undertake follow up work, the relevant portfolio directors were contacted and asked to provide internal audit with a response. This included indicating whether or not the recommendations agreed therein have been implemented to a satisfactory standard. Internal audit clearly specified that as part of this response, directors were to provide specific dates for implementation and that this was required by the audit committee.

This report also details those high opinion audits that internal audit plan to remove from future update reports. The audit committee is asked to support this.

FINANCIAL IMPLICATIONS

There are no direct financial implications arising from the report.

EQUAL OPPORTUNITIES IMPLICATIONS

There are no equal opportunities implications arising from the report.

RECOMMENDATIONS

1. That the audit committee notes the content of the report.
2. That the audit committee agrees to the removal of the following reports from the tracker:
 - Adoption Service
 - Subject Access Requests

Kayleigh Inman
Senior Finance Manager, Internal Audit.

**SHEFFIELD CITY COUNCIL
UPDATED POSITION ON HIGH OPINION AUDIT REPORTS AS AT 21 July 2015**

1. Outcome planning (corporate review)

As at July 2015

Internal Audit: The outcome planning review was a corporate review. The report was discussed with the chief executive as well as the appropriate senior officers. It was agreed that the report gave an accurate reflection of the current position. The recommendations were also agreed as a positive way forward. The issues raised were not confined to simple process changes and many of the recommendations required a cultural shift within the organisation. These recommendations will therefore in some instances take a longer period to fully embed. The chief executive has agreed to produce an annual report to the audit committee on the progress made in this area. This report will be timetabled into the work plan for the committee. It is therefore not proposed to report on this report in detail as part of these high opinion progress reports.

2. Transitions – governance arrangements (Communities). (Issued to the audit committee 27.04.15).

As at July 2015

Internal Audit: This report was issued to management on the 17.04.15 with the latest agreed implementation date of 30.09.15. Therefore an update will be provided in the next high opinion update report.

3. External Funding (corporate review) (Issued to the audit committee 01.06.15).

As at July 2015

Internal Audit: This report was issued to management on the 07.05.15, with the latest agreed implementation date of 30.09.15. Therefore an update will be provided in the next high opinion update report.

4. Markets Service (Place) (Issued to the audit committee 25.02.15).

As at July 2015

Internal Audit: This report was issued to management on the 16.1.15, with the latest agreed implementation date of 31.3.15. A follow up was undertaken in May 2015 and the results are reproduced below.

Ref	Recommendation	Priority	Original Responsible Officer	Original Implementation Date	Updated position - as per Internal Audit follow up
4.1	A medium term, five year markets service plan should be developed and approved by the director of capital and major projects (CAMP) in line with the stated deadline. The plan should outline how the provision of the markets service would contribute to the council's strategic outcomes and include action plans for maximising lettings and promoting the service.	High	Head of Markets	31.03.15	<p>Action completed</p> <p><u>Management position as at 27.05.15</u> A new business plan has been written which reflects the current economic position and the future changes to the trading environment that will take place over the next 10 years. It presents a realistic financial model which should reach break-even point in Year 8.</p> <p><u>Internal Audit Comment</u> Internal audit was provided with a detailed 10 year business plan that had been submitted to Place PLT. The plan addressed all points covered in the recommendation and, subject to minor changes to the introduction, was due to be formally approved by PLT in the near future.</p>
4.2	Staff should have access to copies of the markets business continuity plan. Copies should be held in the main markets office as well as at Crystal Peaks and the Parkway Wholesale Market. Staff should be	Medium	Head of Markets	27.02.15	<p>Action outstanding</p> <p><u>Management Position as at 27.05.15</u></p>

	made aware of where these are located, their contents and intended use. In addition, nominated officers should also retain copies personally to ensure access to the plans at all times (in the event of the offices not being accessible).			Revised implementation date 30.06.15	All the business continuity plans within markets are currently going through a wholesale review. It is hoped this process will now be completed by 30.06.15 and then hard copies will be made available to relevant staff. <u>Internal Audit Comment</u> The recommendation remains outstanding pending review.
4.3	The Markets Improvement Project Board should consider the impact of the projected occupancy and rental income levels as part of the on-going business planning process. Consideration should be given to how to attract viable traders with robust business plans that provide for sustained trading and potential growth within the market. These issues should be incorporated in to the latest service business plans, currently under development.	High	Head of Markets	31.03.15	Action completed <u>Internal Audit Comment</u> The production of the business plan outlined at 4.1, above, addresses the points raised in the recommendations, opposite.
4.4	Management should liaise with Legal & Governance and consider the alternatives to the current Moor Market quarterly tenancy agreements. Options should be explored for the potential to transfer of existing and new tenants on to short term tenancies-at-will or on lease agreements equivalent to those in place at Crystal Peaks Markets (for example: in relation to all new assignments and existing traders wanting to rescind notices to quit).	High	Head of Markets	31.03.15	Action completed <u>Management Position as at 27.05.15</u> Since November 2014 no further protected tenancies have been issued and new traders have been placed on Tenancies at Will in anticipation of Legal and Governance producing a more suitable agreement that mirrors those granted to traders at the Crystal Peaks Market. Once this document has been agreed, traders on tenancies at will, will be offered these new agreements. Legal & Governance to be asked for timescale for production of new tenancy agreement.

					<u>Internal Audit Comment</u> Internal audit considers the recommendation to be implemented.
4.5	The head of markets should have robust monitoring arrangements in place to ensure that appropriate tenancy agreements are in place for all new stall holders prior to them being able to trade from those units. Traders failing to sign and return the tenancy agreements should not be given right of access. The trader currently operating without a tenancy agreement should be required to sign-up or face eviction. Traders should be required to give all required personal details as part of the application process (including proof of home address). This condition should also apply to any assignment of the tenancy agreement.	High	Head of Markets	31.03.15	Action completed <u>Management Position as at 27.05.15</u> The trader still in situ has signed a new tenancy agreement. A revised lettings procedure and supporting documentation have been introduced requiring prospective tenants to prove identity and home address. The head of markets attends the monthly staff lettings meeting and ensures fit out licences/ agreements to occupy have been raised as required. <u>Internal Audit Comment</u> Evidence of the new procedures and the use of new documentation have been provided to internal audit.
4.6	Management should directly supervise the letting of individual stalls and review proposals prior to formal tenancy agreements being entered in to. Traders should be barred from taking additional stalls where they are in arrears on existing stalls. Markets management should confirm with the ICAM team that any new traders are not existing Sheffield City Council debtors prior to entering in to any tenancy agreement. Known Council debtors should not be allocated market tenancies.	High	Head of Markets	31.03.15	Action completed <u>Management Position as at 27.05.15</u> This letting should not have taken place. The new lettings procedure covers this. Monthly meetings will now take place between the lettings officer and the head of services to discuss all new prospective lets and notices. <u>Internal Audit Comment</u> Evidence of the new procedures,

					meeting minutes and the use of new documentation have been provided to internal audit.
4.7	All traders should be required to comply with the contractual obligation to set up and make monthly rental payments through direct debit.	High	Head of Markets	31.03.15	<p>Action completed</p> <p><u>Management Position as at 27.05.15</u> All new traders are required to set up direct debit payment arrangements. Management have written to existing traders on two occasions telling them they must re-instate their direct debit which has led to just two doing so. Legal opinion is that legal action to enforce the use of direct debits would likely fail if that trader was paying by other means. A third letter is to be issued by Legal & Governance by the end of May in a further attempt to get traders to re-instate their direct debits.</p> <p><u>Internal Audit Comment</u> Internal Audit is satisfied that all reasonable action has, or is being taken to address the situation.</p>
4.8	Over and above the need to initiate immediate action for the recovery of the traders' debts (as set out elsewhere in this report), the director of capital & major projects should require the head of markets to explain why the stated policy preventing traders holding outstanding arrears from transferring to the Moor Market was disregarded, particularly as this has resulted in significant arrears being built up by those traders in the new market. Similar explanations should be sought as to why the promise of allowances on the new market was used to offset existing arrears on Castle Market.	High	Head of Markets	30.01.15 Revised implementation date 30.09.15	<p>Action outstanding</p> <p><u>Management Position as at 27.05.15</u> The markets manager (City) was responsible for implementing the stated policy and as far as the head of markets was concerned this had been carried through – enabling their transfer to the Moor Market.</p>

				<p><u>Internal Audit Comment</u> Internal audit re-iterated the findings and confirmed that all stated arrears pre-dated the formal cut-off point. The head of markets was questioned on his comments. He confirmed that he was responsible for authorising all new tenancies for the opening of the Moor Market and that he was not aware at that time of any traders transferring with arrears on Castle Market. The markets manager had not brought this to his attention.</p> <p>Internal audit asked the head of markets whether he had questioned the markets manager about this following it being raised in the audit report. He confirmed that he had not.</p> <p>Arrears amassed by the eight traders in question amounted to £114,000 as at April 2015.</p> <p>Over and above this, the director of CAMP has confirmed to internal audit that he could not recall making any decision to accept traders who had serious levels of bad debt.</p> <p>Internal audit considers that the recommendation has not been implemented.</p> <p>Significant concerns remain as to why the stated policy was</p>
--	--	--	--	--

					<p>disregarded and those tenants were allowed to amass further arrears in the new market.</p> <p>As a consequence internal audit further recommends that the director of CAMP should consider whether further investigation is required in to the circumstances around the waiving of the stated policy and of the failure to actively manage the debts of those traders once in situ.</p> <p>The executive director of Place agreed to the recommendation and will commission an investigation as set out above.</p> <p>To be completed by 30.09.15</p>
4.9	<p>The monthly debt recovery meetings should be re-introduced as a means of identifying and initiating recovery action against traders' arrears. Appropriate action should be taken to ensure recovery of rental and service charge arrears from traders. This includes the initiation of prompt recovery action on or after 37 days in line with the corporate recovery process. Markets management should review the arrears position of individual traders in advance of the monthly ICAM meetings to ensure that the meetings are productive and provide clear guidance and instruction on action to be taken.</p> <p>Markets management should use the notebook facility in OEO (sundry debtors) to set out any payment arrangements, meeting notes, arising from discussions with the traders as a means of enhancing communications with the ICAM team.</p> <p>Traders should be reminded of their contractual obligation under the terms of their tenancy agreements to pay rent and service charges within 1 month of them being invoiced and of the</p>	High	Head of Markets	<p>30.01.15</p> <p>Revised implementation date: 31.07.15</p>	<p>Part completed</p> <p><u>Management Position as at 27.05.15</u></p> <p>Monthly meetings with the ICAM team were reinstated in December 2014. These were subsequently stopped at the suggestion of ICAM as day to day communications with markets and the use of OEO were considered to be working well. The notebook facility on OEO is now used extensively by both markets and the ICAM team members and traders have been reminded of their obligation to pay within one month of being invoiced and the consequences of not doing so.</p>

	<p>consequences of failing to do so. Consideration should be given to the termination of tenancies where arrears remain outstanding.</p>				<p>Awaiting Legal & Governance to draft letter to tenants re arrears. There has been no review of long term arrears or of debts suitable for write-off.</p> <p><u>Internal Audit Comment</u> Arrears monitoring and debt recovery arrangements have been implemented and were accepted as working well by staff in ICAM. However, internal audit confirmed that, as at April 2015, arrears had grown from £459,000 (as reported in December 2014) to £551,000. There had been little improvement in the arrears position of the most significant debtors and analysis indicated a trend of new traders falling in to arrears since December 2014. The head of markets acknowledged that there had been no systematic review of debts to identify those suitable for write-off. Over and above this, It was confirmed that he was unaware of older debts (over 2 years old) held on obsolete business units.</p> <p>It was agreed that a review of all arrears would take place and write offs arranged by 31.07.15.</p> <p>In addition, Legal and Governance would be asked to comment on the progress and associated timescales of arrears highlighted for litigation.</p>
--	--	--	--	--	--

					Internal audit considers that the majority of recommendations have been implemented. However, the review of long term arrears had not taken place and the service had yet to fully benefit from debt management arrangements.
4.10	Traders should be informed that failure to provide outstanding information for the calculation of fit out allowance will result in the withdrawal of that allowance. Recovery action should be initiated immediately against those traders for the net value of their rent and service charge arrears, with traders reminded that continued withholding of rent and services charges due constitutes a breach of the conditions in their tenancy agreements.	High	Head of Markets	30.01.15	Action completed <u>Management Position as at 27.05.15</u> All fit out allowances have now been resolved and as the deadline for providing the required information has now passed and no further claims for the fit out allowance will be entertained unless it can be proved categorically an error has been made. <u>Internal Audit Comment</u> Internal audit considers that the recommendations have been implemented.
4.11	Management's attention is drawn to the recommendations raised within this report for the re-establishment of debt recovery meetings, the formal monitoring of sundry debtors and initiation of prompt recovery action in line with corporate policy. In addition, consideration should be given to the re-evaluation of the stated risk pending introduction of any agreed action and consideration of escalation of the risk to Place PLT.	High	Head of Markets	31.03.15	Action outstanding <u>Management Position as at 27.05.15</u> Prompt recovery action via the ICAM team is initiated at the end of each month. The issue with debt and the overall viability of the new Moor Market has been escalated in the Place risk register to PLT level. <u>Internal Audit Comment</u> The above risk relates to

					<p>occupancy and viability of the market and not the inability to recover arrears (the risk set out in the original audit finding). Analysis indicates that arrears have increased in the period since the issue of the report (see comment at 4.9).</p> <p>Internal audit considers that the recommendation has not been implemented</p>
4.12	<p>Whilst internal audit acknowledges that the fit-out allowance was a "one-off" grant, markets management had a responsibility to ensure the best use of the Council's financial resources and should have required full and appropriate declaration of traders' fit out costs as part of the assessment process.</p>	Medium	Head of Markets	31.03.15	<p>Action completed</p> <p><u>Management Position as at 27.05.15</u> The head of markets reiterated that this was a specific policy decision taken by the director of CAMP. The grant was paid in lieu of the planned second year's discounted rent period (set at equivalent levels).</p> <p><u>Internal Audit Comment</u> Internal audit notes the comments above and considers that the recommendation has been implemented</p>
4.13	<p>As a matter of good practice, the markets service should notify ERS of any new traders involved in food preparation and retail, so ensuring their future food hygiene inspection.</p>	Medium	Head of Markets	31.01.15	<p>Action completed</p> <p><u>Management Position as at 27.05.15</u> As part of the revised lettings procedure, all new applications to sell food are referred to ERS for information, inspection and action as required.</p> <p><u>Internal Audit Comment</u> Supporting documentation</p>

					provided.
4.14	In order to adequately protect the public from the risk of injury or loss as a result of illegal trading, systematic inspection of trader's stalls should be carried out. Inspections should be arranged without the knowledge of the traders so as to maximise the benefit.	Medium	Head of Markets	31.01.15 Revised implementation date 31.07.15	Action outstanding <u>Management Position as at 27.05.15</u> Markets officers regularly make visual inspections of traders stalls in an attempt to identify if anything untoward is being sold, however from past experience is it what is being sold out of sight or 'under the counter' that causes issue and markets staff are not trained in being able to identify, counterfeit, illegal or copy goods. <u>Internal Audit Comment</u> Internal audit considered that the issue regarding systematic inspection of traders stock remained outstanding. The head of markets agreed to produce a standard operating procedure covering inspection by markets patrol staff and to arrange for Trading Standards to update and advise staff on current concerns.
4.15	Stall holders should be reminded that trading in counterfeit or contraband goods will not be tolerated and that continued illegal trading would constitute a breach of the tenancy agreement and result in expulsion from the market. Markets management should follow up with the Copyright Protection Group to determine whether action was/is to be taken against the trader. The trader in question should be subject to regular inspection to ensure that there is no further illegal trading.	Medium	Head of Markets	31.03.15	Action completed <u>Management Position as at 27.05.15</u> The Copyright Protection Group has been contacted by both letter and phone regarding the allegation of the sale of counterfeit goods by a trader in the Moor Market. To date we have had no further response

					<p>from them and we would not take any forfeiture action against any trader unless there had been a successful prosecution.</p> <p><u>Internal Audit Comment</u> Internal audit considers that the recommendation has been implemented.</p>
4.16	The Markets Improvement Project team should ensure the prompt development of a robust markets service business plan to provide the basis of both a short term response to the current trading conditions, as well as longer term plan for the on-going viability of the service. Internal audit recommends the completion and sign off of the initial business plan in line with project team deadlines of 31 March 2015.	High	Head of Markets	31.03.15	<p>Action completed</p> <p>As per 4.1</p>
4.17	<p>Markets staff should be reminded that they must not accept cheques from traders for the payment of rents and service charges, nor bank them via the markets' cash collection and banking arrangements. Traders attempting to do so should be reminded of the appropriate payment arrangements (including cross-referencing to the respective invoices). Under no circumstances should staff accept post-dated cheques. Debt recovery and payment arrangements entered in to between markets management and individual traders should be formally documented in the OEO notebook facility and discussed with the ICAM Team at the monthly debt management meetings. Markets staff should monitor on a monthly basis to ensure that traders continue to make payment in line with the agreement and initiate recovery action where traders lapse from it.</p> <p>Management should reconcile payments made by the trader in question to determine an accurate arrears position. That trader should then be placed on a formal or structured repayment schedule to address those arrears. All temporary lettings should</p>	High	Head of Markets	<p>31.01.15</p> <p>Revised implementation date 31.07.15</p>	<p>Action outstanding</p> <p><u>Management Position as at 27.05.15</u></p> <p>The acceptance of post-dated cheques has been stopped and the trader in question has been put on direct debit. A lettings process for temporary space at Crystal Peaks has been adopted in line with that in use in The Moor Market and a monthly account is now raised. Any arrangements made by the markets manager (Districts) with traders for the settlement of arrears are now documented on OEO. Staff monitor repayments and bring to management attention any deviation from those payments. This is also monitored by the ICAM team who also determine</p>

	be documented in formal temporary lettings agreements, clearly setting out the letting period and charges due. This should form the basis for the raising of the monthly accounts. Under no circumstances should informal, undocumented temporary lettings be accepted.				<p>levels and frequency of repayment in consultation with us.</p> <p><u>Internal Audit Comment</u> Internal audit considered that the majority of the recommendations had been implemented. It was noted, however, that the reconciliation of the trader's cheque payments to markets invoices was still outstanding. As such, OEO did not record the trader's true arrears position.</p> <p>Markets staff to liaise with treasury banking to link banked cheques to individual markets' invoices by 31.07.15.</p>
4.18	<p>Levels of internal check should be incorporated in to the lettings and invoicing arrangements. This could be achieved by:</p> <p>Duplicate trader information sheets being issued to the markets officer for him to check off against the monthly sundry debtors listing. Any discrepancies should then be followed up with the business support officer; or the lettings officer should control all trader information sheets issued. Business support officer should complete the trader information sheet once actioned in OEO listing customer ref no, invoice number & provide a screen shot confirming start date for periodic invoices. This should then be returned to the lettings officer (who follows up on any that are not returned).</p> <p>Over and above this, internal audit considers that it would be prudent to twice yearly verify periodic invoice details (in OEO) to tenancy records, ensuring that details are complete and accurate and that accounts have not been suspended.</p>	Medium	Head of Markets	31.03.15	<p>Action completed</p> <p><u>Management Position as at 27.05.15</u> A monthly meeting takes place with the business support officer, the lettings officer and the head of service to ensure all new traders are being invoiced from the correct date of occupation. Traders who are terminating the invoices cease on the correct date to avoid the raising of credit notes and traders are being charged for all the stalls or space they occupy.</p> <p><u>Internal Audit Comment</u> Minutes of the meetings have been provided.</p>
4.19	The head of markets should obtain assurances from James Lang Lassalles that service charges for	Medium	Head of Markets	31.03.15	Action completed

	2015/16 on the shared yard and loading bay will be based on an actual contractual cost basis rather than quarterly estimates.				<p><u>Management Position as at 27.05.15</u></p> <p>The management company has now provided confirmation of the reduction in the 2015/16 service charge to £154,000 per annum as previously agreed. The first quarterly invoice for the revised amount has been received and processed along with receipt of the 2015/16 service charge statement. However the Council will not receive a credit for the 2014/15 service charge until a reconciliation of costs is completed by the management company by the end of June 2015 (in line with Royal Institute of Chartered Surveyors' guidelines).</p> <p><u>Internal Audit Comment</u></p> <p>Internal audit considers that the recommendation has been implemented.</p>
4.20	Whilst internal audit acknowledges that the fit-out allowance was a "one-off" grant, markets management had a responsibility to ensure the best use of the Council's financial resources and should have required full and appropriate declaration of traders' fit out costs as part of the assessment process. This should have included provision of invoices in support of stated materials costs, etc.	Medium	Head of Markets	31.03.15	<p>Action completed</p> <p>As per 4.12</p>

5. Blue Badges – Assessment Process (Resources). (Issued to the audit committee 03.03.15).

As at July 2015

Internal Audit: This report was issued to management on the 12.02.15, with the latest agreed implementation date of 30.04.15. A progress update from management is reproduced below and a follow up audit is planned by Internal Audit for later in 15/16.

Ref	Recommendation	Priority	Original Responsible Officer	Original Implementation Date	Updated position from Business Service Manager, Resources 04.06.15
5.1	Corrections to the errors currently in the policy dated August 2013 (paragraphs 8.6 & 5.6) should also be made. The blue badge policy dated August 2013 should replace the November 2011 version on the councils website.	Medium	Mark Holmes / Linda Lawson	28.02.15	Complete. Policy has been replaced on website, updated March 15.
5.2	Management should ensure that the current assessment process is documented and available to all relevant staff	High	Mark Holmes / Linda Lawson	31.03.15	Process mapping is complete. One outstanding action is to include a new matrix on those maps which will be complete by the end of June 15.
5.3	Management need to investigate viable options for the assessment process, determine the most appropriate for the applicant and council and ensure that there is sufficient training and documented guidance for the relevant staff.	Critical	Mark Holmes / Linda Lawson	28.02.15	Investigation complete. Decision taken to redesign the application process, which will incorporate a new process for discretionary applications, which designs out inconsistencies of decisions. New process will be ready for consultation with Physios end of June 15
5.4	Management should consider what information is available to assist in monitoring productivity and develop a quality check to enable meaningful feedback is provided to staff.	Medium	Mark Holmes / Linda Lawson	30.04.15 Revised implementation date 30.06.15	Part completed. Quality control framework is being developed in line with rollout of the new process – end of June 15

6. Statutory Responsibilities Health Check (Resources). (Issued to the audit committee 14.01.15).

As at July 2015

Internal Audit: This report was issued to management on the 12.01.15, with the latest agreed implementation date of 31.03.15. An update of progress to date is provided below from the interim director of Legal and Governance. A follow up will be undertaken as part of the 15/16 audit plan.

Ref	Recommendation	Priority	Original Responsible Officer	Original Implementation Date	Update provided from Gillian Duckworth, Interim Director of Legal & Governance As at 04.06.15
6.1	<p>Individual service managers should be required to carry out an annual refresh of the data bases as part of each year's AGS process. This requirement should be incorporated in to the AGS Guidance issued by the interim director of Legal & Governance.</p> <p>This will ensure that the data bases remain contemporaneous in relation to current legislation, organisational structure and the appropriate assignment of lead officer responsibilities and can be used as the basis for the corporate-based confirmation processes raised at finding 3.1 in this report.</p>	Medium	<p>Interim Director of Legal & Governance</p> <p>(Initially - with individual directors subsequently picking up responsibility for their own registers).</p>	<p>31.03.15</p> <p>Revised implementation date 30.09.15</p>	<p>As part of the 14/15 AGS Guidance Services were required to update the statutory responsibilities list on SharePoint by 31.03.15. Public Health, finance, planning and customer services appear to be the only services that have amended the list either themselves or by liaising with Legal & Governance. CYPF AGS returns confirm that the list has been reviewed by them.</p> <p>It is evident that not all necessary changes and updates have been made. This is the first year we have considered statutory responsibilities in relation to the AGS.</p> <p>Submission of an up to date statutory responsibilities register will be a requirement of the 15/16 AGS process, and failure to provide an updated register will be a considered a non-compliance.</p> <p>Legal & Governance are looking at the list again and plan to split it so that each service has its own list and they will be asked to update and expand upon it by 30.9.15 for further compliance.</p> <p>It is acknowledged that the list is historic and it would assist services if a resource could be identified to check that the</p>

					legislation is up to date. This is being investigated.
6.2	<p>The interim director of Legal & Governance should take forward the agreed actions from the deputy chief executive's original report and work with individual executive directors to ensure their implementation. In doing so, however, internal audit further recommends that guidance should be issued by the director of Legal & Governance as to:</p> <ul style="list-style-type: none"> • The levels of assurance required by portfolio management from the respective lead officers; • The consideration of statutory responsibilities as part of the service business planning process, budget setting and performance monitoring procedures across all portfolios; • The systematic risk review of all statutory responsibilities to determine the potential impacts of non-compliance (particularly where statutory responsibilities are delivered externally to the service) and their inclusion on service risk management plans where considered significant. Consideration should then be given to the escalation of significant risks as and where necessary. 	High	Interim Director of Legal & Governance	31.03.15 Revised implementation date 30.09.15	<p>Action at 6.1 above completed.</p> <p>This is the next stage of the process to ensure assurance and maintenance of SR register for each service.</p> <p>To be prioritised after AGS 14/15 finalised.</p> <p>Resources to be identified to ensure legislation up to date. Plan to have in place and guidance issued by 30.09.15</p>
6.3	Internal Audit recommends that the interim director of Legal & Governance puts in place arrangements for portfolios to undertake an annual review of compliance with statutory responsibilities and its incorporation in to the existing AGS schedule as a means of stream lining the process and providing cohesive coverage. Further recommendations relating to how the two processes may be combined are made at 6.8	Medium	Interim Director of Legal & Governance	31.03.15	Completed
6.4	Up to date and accurate registers of statutory responsibility should be maintained at portfolio and service level ensuring that all relevant responsibilities have been identified and assigned. These should then be used as the foundation for monitoring compliance. The registers should be updated to account for new	High	All Executive Directors Initial agreement with Interim Director of Legal & Governance with	31.03.15 Revised implementation	Part of process outlined at 6.2 further progress expected by 30.9.15

	legislation and be reviewed on an annual basis to ensure that they remain up to date (ideally in conjunction with the service business planning process).		individual directors subsequently picking up responsibility for their own registers.	date 30.09.15	
6.5	<p>Corporate service business planning guidance should be revised so as to explicitly require business plans to outline the range of statutory responsibilities anticipated to impact on resource allocation, as well as the actual allocation of resources in ensuring compliance.</p> <p>Business plans should be used to set out management's strategies in addressing its statutory responsibilities including the risks and impact of planned partial or non-compliance.</p> <p>Directors should ensure that all statutory responsibilities have been accounted for before signing-off individual business plans (with reference to the registers of statutory responsibility set out at 6.4</p>	High	Director of Policy, Performance and Communications	31.03.15	<p>Director of Policy, Performance and Communications response as at 09.04.15</p> <p>Action completed - as statutory responsibilities are included in the service planning guidance, which will be issued shortly.</p>
6.6	Having established registers of statutory responsibility, directors should ensure that these are considered as part of the monthly governance arrangements. Compliance with statutory responsibilities should be incorporated in to the framework of governance meetings covering service managers, heads of service and their respective directors	High	All executive directors	<p>31.03.15</p> <p>Revised implementation date 30.09.15</p>	To form part of guidance to be issued by 30.9.15 detailed at 6.2 above.
6.7	<p>All portfolios and services should monitor compliance with statutory responsibilities in the context of staff changes and reduced funding levels. This should incorporate:</p> <ul style="list-style-type: none"> • As part of the annual service business planning process, identifying the service costs required to ensure compliance; • The consideration of alternative strategies for delivering compliance; • The use of appropriate performance indicators 	High	All executive directors	<p>31.03.15</p> <p>Revised implementation date 30.09.15</p>	Information to be included in guidance to be issued by 30.9.15

	<p>where applicable to aid monitoring; &</p> <ul style="list-style-type: none"> Incorporation of compliance monitoring in to the monthly governance framework; <p>Over and above this, executive directors should report to EMT annually at the culmination of the service business planning process, setting out the impact of reduced resources on compliance with statutory responsibilities.</p>				
6.8	<p>Guidance for the completion of the 2014/15 AGS should be more explicit in requiring service managers to declare all issues of non-compliance with statutory responsibilities.</p> <p>Service managers should be required to include in the declaration details of any risk/impact assessment and mitigation strategies as a means of evaluating the significance of the non-compliance. This is particularly pertinent where the AGS is to be used as the platform for the annual monitoring of compliance with statutory responsibilities.</p> <p>The AGS guidance package should require the submission of registers of statutory responsibility to the director of Legal & Governance. These should be signed-off where appropriate by the relevant service manager and director as formal confirmation of compliance, or cross-reference to the appropriate declaration in the service AGS.</p> <p>This will enable the director of Legal & Governance to provide EMT with an annual report on compliance with statutory responsibilities when reporting on AGS.</p>	High	Interim Director of Legal & Governance	<p>31.03.15</p> <p>Revised implementation date part 30.09.15 and fully 31.03.16</p>	<p>For the 14/15 AGS process the existing register was placed on SharePoint and services were asked to update it - Including column headed 'Not fully compliant – explain'. As detailed above at 6.1 the register was not updated by all services.</p> <p>Some AGS non compliances (e.g. No.22) have been declared as a result of reviewing the register.</p> <p>This high opinion audit was finalised at the end of December 2014 and preparation for the AGS process 14/15 was well underway. This is the first year we have sought to combine consideration of statutory responsibilities within the AGS process. It was understood that updating the existing corporate register would only provide partial compliance with the recommendations but it was considered to be a significant undertaking to expect services to be in a position to submit their own up to date registers by 31.3.15.</p> <p>The work done as part of the 14/15 AGS process will be used to inform the ongoing work and guidance planned to improve statutory responsibilities monitoring over this financial year with a view to being fully compliant with these recommendations by</p>

					<p>31.3.16</p> <p>Services will be chased with a specific list of responsibilities for their areas and asked to again update and expand on them by 30.09.15. This work will ensure that each service has their own register to maintain and will submit as part of their 15/16 AGS submission.</p>
--	--	--	--	--	--

7. Waste Management Contract (Place). (Issued to the audit committee 15.08.14).

As at January 2015
Internal Audit: This report was issued to management on the 04.06.14, with the latest agreed implementation date of 31.03.15. Therefore an update will be provided in the next high opinion update report.
As at July 2015
Internal Audit undertook a follow up review in February 2015, the results are reproduced below

Ref	Recommendation	Priority	Original Responsible Officer	Original Implementation Date	Updated position - as per Internal Audit follow up
7.1	<p>Management should give consideration to the need to incorporating missed service performance indicators and delayed development activities (such as those raised under this risk heading) on to the service risk register as on-going issues.</p> <p>The waste management team and the contractor should continue to develop, implement and monitor strategies to promote the achievement of NI 192.</p> <p>The draft waste management strategy should be submitted for approval to PLT, EMT and Cabinet.</p>	Medium	Head of Waste Management	30.09.14	<p>Action completed.</p> <p>Internal audit reviewed supporting documentation.</p>
7.2	<p>Management should monitor the situation to ensure that the financial records are provided by the deadline date and in the prescribed format, so as to enable their review by the project finance team.</p> <p>Management should work towards the resolution of the contractual disputes and the identification of the business improvement plan savings.</p>	Critical	Head of Waste Management & Senior Commercial Manager	<p>31.12.14</p> <p>Revised implementation date 31.08.15</p>	<p>Part completed</p> <p>The initial recommendation has been implemented whilst the discussion of contractual issues remains on-going.</p>
7.3	<p>Both partners should consider all options in relation to lifecycle maintenance accounts. The assistant director of finance (project & commercial) should be included in any discussions and consulted on the decisions taken regarding these funds. Any decisions taken should be formally documented and ratified by both parties.</p>	High	Head of Waste Management & Senior Commercial Manager	<p>31.03.15</p> <p>Revised implementation date 30.04.15</p>	<p>Action outstanding</p> <p>From the management response received this issue was still outstanding at the time of the follow up work.</p>

7.4	Management should work towards the resolution of the outstanding contractual disputes with the contractor. Deadlines should be set to provide structure and the means of measuring progress towards resolution	Critical	Head of Waste Management	31.12.14 Revised implementation date 31.08.15	Action outstanding From the management response received this issue was still outstanding at the time of the follow up work.
7.5	The results of the latest Veolia customer services questionnaire should be reviewed by Client management and discussed within the contract governance structure to determine implications on contractual performance and in terms of on-going strategic business planning.	Medium	Head of Waste Management	31.12.14	Action completed Management have provided evidence in support of the completion of the agreed action.

8. Adoption Service (CYPF). (Issued to the audit committee 18.07.14).

As at January 2015
Internal Audit: This report was issued to management on the 08.07.14, with the latest agreed implementation date of 31.12.14. Therefore an update will be provided in the next high opinion update report.
As at July 2015
Internal Audit undertook a follow up review in February 2015 and the results are reproduced below

Ref	Recommendation	Priority	Original Responsible Officer	Original Implementation Date	Updated position - as per Internal Audit follow up February 2015.
8.1	Action plans should be produced and implementation dates assigned to assist the monitoring and review process. Once this action plan has been agreed and completed, a copy of the plan should be sent to internal audit	High	Director, Children and Families	31.12.14 Revised implementation date 31.03.15	Action completed Comments from Suzanne Whiteley – Fostering & Adoption Service Manager: An action plan has been produced and implementation dates have been assigned to assist in the monitoring and review process. Regionally and nationally there continue to be insufficient numbers of adopters. The dataset for 2013/14 figures demonstrate that 25/29 families were processed within 9 months from the date of their application/ Registration of Interest and the date of the approval decision. Audit Comment: The action plan and dataset figures for 2013/14 were provided to internal audit.
8.2	All adjustment payments for 2013/14 should be checked to the payment runs to identify any further duplicate payments. Although this may not be the	High	Business Support Manager,	31.12.14	Action completed Comments from Julie Gagen -

	only reason for duplicate payments, it is a good starting point to go forward with.		Managing Asylum Grant & CCSS, Children and Families.	Revised implementation date 30.06.15	<p>Business Support Manager (Managing Asylum Grant & CCSS (Children & Families - CYPF)):</p> <p>There is no report available to validate the information for audits of adoption allowances. This is due to adoption allowance payments being means tested; therefore there is no uniformity of payments.</p> <p>The CCSS team and finance complete the following adoption allowance payment checks:</p> <ul style="list-style-type: none"> • Each payment transaction is scrutinised at authorisation stage. • When payment batches are released, any queries relating to them are investigated prior to the payment being made. • Every single remittance slip is scrutinised on a fortnightly basis (every payment run) by CCSS and finance. <p><i>Audit Comment:</i> No evidence was provided to support the statement, but the business support manager, CCSS team, confirmed that these checks are physically made on an ongoing basis as the payment runs are made, so there is no written evidence available.</p>
8.3	Guidance should be produced, which sets out the actions that should be undertaken by CYPF payment process team is they identify a duplicate payment	Medium	Business Support Managers – Adoption and Fostering and	31.07.14	<p>Action completed</p> <p>Comments from Dee Dunseath - Business Support Manager (Adoption & Fostering Services</p>

			Children and Families.		(Children & Families - CYPF)): An overpayments/ duplicate payments procedure has been produced by the adoption & fostering business support managers, and has been communicated to the CCSS team. <i>Audit Comment:</i> The process for overpayment/ duplicate payments of adoption allowances and fees was provided to internal audit. This was considered adequate.
8.4	A service offer letter should be produced to establish the clear roles and responsibilities between finance business partner and CYPF	Medium	Business Support Managers – Adoption and Fostering and Children and Families.	31.08.14 Revised implementation date 31.03.15	Action outstanding Comments from Paul Schofield - Assistant Director of Finance at the Finance Managers meeting on the 25 th February 2015: An SLA between the finance Service and CYPF is currently at draft. The specifications of the SLA will set out the service provision offered by the finance service to CYPF and the obligations of the client, i.e. CYPF. <i>Audit Comment:</i> The current draft SLA has been provided and reviewed by internal audit. Pending finalisation, issue and certification by all parties.
8.5	Allowance fees should be formally reviewed and authorised annually by the fostering and adoption service manager	High	Fostering and Adoption Service Manager	31.05.14	Action completed Comments from Suzanne Whiteley – Fostering & Adoption

					<p>Service Manager: As agreed at the time of the audit, allowance fees will continue to be informally reviewed on an annual basis.</p> <p>Audit Comment: Recently reviewed allowances were provided to internal audit.</p>
8.6	A formal process should be developed/ updated and documented that outlines the steps to be taken when payments are to be made to the adoptive parents, for their adoption allowance. This could form part of a suite of formal procedure notes that should be developed and documented within the adoption service	Medium	Business Support Manager – Adoption and Fostering, Children and Families.	31.12.14 Revised implementation date 30.06.15	<p>Action completed</p> <p><i>Comments from Dee Dunseath - Business Support Manager (Adoption & Fostering Services (Children & Families - CYPF)):</i></p> <p>This is currently ongoing. A review of the procedure notes is currently being undertaken, and has so far, identified that they are fit for purpose, and they currently work for staff that do the work and are Carefirst trained.</p> <p>The procedures may need to be changed and amended in future, as a result of changes to allowance or child benefit rates that may happen.</p> <p><i>Audit Comment:</i> Recently reviewed procedures were provided to internal audit.</p>

Internal audit propose removing this from the tracker

9. School Attendance - Multi Agency Support Teams (MAST) (CYPF). (Issued to the audit committee 22.08.14).

As at January 2015
Internal Audit: This report was issued to management on the 11.08.14, with the latest agreed implementation date of 31.12.14.
As at July 2015
Internal Audit undertook a follow up review in March 2015, the results are reproduced below. As a consequence of this, Internal Audit is now revising the follow-up approach and will undertake visits to a sample of schools from the original themed review (for high opinion audits). Compliance with the recommendations will be tested as part of this process. Existing mechanisms such as the City Wide Learning Body, Schools Forum and the Chair of Governors will also be utilised to stress the importance of engagement with internal audit and adherence to agreed recommendations.

Ref	Recommendation	Priority	Original Responsible Officer	Original Implementation Date	Updated position - as per Internal Audit follow up in March 2015.
9.1	In line with the good practice guidance stated within the attendance strategy, dated Jan 2013. Every school should have a designated member from SMT as an attendance lead and a member of the governing body who takes responsibility for attendance, and who is willing to play an active role in the improvement of attendance at the school	Medium	Head Teacher or Business Manager at each school sampled	31.12.14 Revised implementation date: 31.05.15	Action Outstanding <u>Audit Comment:</u> 5 schools were contacted for a response: • 1 school provided assurance that the recommendation had been implemented. • 1 school is actioning the recommendation. • 3 schools did not provide any assurance that the recommendation had been implemented. No evidence was provided to support the statements.
9.2	Good governance should be adopted within all schools, with clear in depth reports on attendance being presented to the schools SMT, the governing body and the attendance team. The MAST should also have a follow up process in place for 'missing' reports.	Efficiency/ Effectiveness	Head Teacher or Business Manager at each school sampled	31.12.14 Revised implementation date: 31.05.15	Action Outstanding <u>Audit Comment:</u> Only 6/12 schools provided a response to internal audit stating this recommendation has been actioned. Please note: The 2 nd

					part of this recommendation - relating to MAST was not followed up as it wasn't agreed.
9.3	All meetings that discuss attendance should be formalised, recorded in the form of meeting minutes and then retained for inspection. This will further strengthen the governance around attendance within school.	Medium	Head Teacher or Business Manager at each school sampled	31.12.14 Revised implementation date: 31.05.15	Action Outstanding <u>Audit Comment:</u> See response at 9.2.
9.4	Class attendance figures should be highlighted to all staff, via a weekly email, which highlights the week's attendance and compares this to the previous academic year's attendance at that stage of the year	Efficiency/ Effectiveness	Head Teacher or Business Manager at each school sampled	31.12.14 Revised implementation date: 31.05.15	Action Outstanding <u>Audit Comment:</u> See response at 9.2.
9.5	The school attendance strategy states that every school should have policies and procedures designed to ensure that all its pupils attend regularly. Schools should be reminded of this requirement. In line with good practice, the policy should be endorsed and monitored by the school's governing body. Publication of the policy may also help parental engagement.	High	Head Teacher or Business Manager at each school sampled	31.12.14 Revised implementation date: 31.05.15	Action Outstanding <u>Audit Comment:</u> 10 schools were contacted for a response: • 4 schools provided assurance that the recommendation had been implemented. • 2 schools are actioning the recommendation. • 4 schools did not provide any assurance that the recommendation had been implemented. No evidence was provided to support the statements.
9.6	Schools should ensure they have robust, documented continuity arrangements in place regarding first day calling, in the absence of the officer who normally undertakes this role	Efficiency/ Effectiveness	Head Teacher or Business Manager at each school sampled	31.12.14 Revised implementation date: 31.05.15	Action Outstanding <u>Audit Comment:</u> 11 schools were contacted for a response: • 6 schools provided assurance that the recommendation had been implemented. • 5 schools did not provide any assurance that the

					<p>recommendation had been implemented.</p> <p>No evidence was provided to support the statements.</p>
9.7	All schools should have an up-to-date term time holiday leave policy that follows guidance produced by MAST or include as part of the school attendance policy. This policy should be ratified by the school's governors, cascaded throughout the school and made available on the schools website, i.e. for parents to view.	High	Head Teacher or Business Manager at each school sampled	<p>31.12.14</p> <p>Revised implementation date: 31.05.15</p>	<p>Action Outstanding</p> <p><u>Audit Comment:</u> 9 schools were contacted for a response: • 5 schools provided assurance that the recommendation had been implemented. • 4 schools did not provide any assurance that the recommendation had been implemented.</p> <p>No evidence was provided to support the statements.</p>
9.8	A consistent approach across all schools is required. MAST need to review the guidance in relation to the term time holiday process, ensuring no ambiguity, and that guidance is not open to interpretation by schools	High	Assistant Service Manager	<p>31.12.14</p> <p>Revised implementation date: 25/02/2015</p>	<p>Action Outstanding</p> <p><i>Comments from Marie McGreavy – Assistant Service Manager:</i></p> <p>Date set (25/02/2015) to revise the term time leave Code of Conduct in collaboration with schools.</p> <p><u>Audit Comment:</u> Comments were provided on the 17th February 2015. No evidence was provided to support the statement.</p>
9.9	Targets should be set by the schools for both 'attendance overall' and 'persistent absences', and there should be regular monitoring/ reporting of both of these targets by individual schools and the city area. Intervention work and resources should	Medium	Head Teacher or Business Manager at each school sampled &	31.12.14	<p>Action Completed.</p> <p><i>Comments from Marie McGreavy – Assistant Service Manager:</i></p>

				31.05.15	conduct. <u>Audit Comment:</u> No evidence was provided to support the statement.
9.14	If parenting contracts and parenting orders are not issued in Sheffield then this should be reflected in the attendance guidance, policy and reports that SCC issue. Alternatively if these powers are to be utilised, MAST need to ensure all relevant parties understand the purpose/ use of parenting contracts and orders, and when/ how these maybe issued.	High	Assistant Service Manager	31.03.15	Action Completed <i>Comments from Marie McGreavy – Assistant Service Manager:</i> A review of the legal powers available is currently under review. School attendance orders have been introduced with the first 27 currently going through the process. The first education supervision order is being piloted. <u>Audit Comment:</u> No evidence was provided to support the statement.

10. Subject Access Requirements (Resources). (Issued to the audit committee 17.07.14).

As at January 2015
Internal Audit: This report was issued to management on the 19.06.14, with the latest agreed implementation date of 30.12.14. Therefore an update will be provided in the next high opinion update report.
As at March 2015
Internal Audit undertook a follow up audit in December 2014, and the results are reproduced below.

Ref	Recommendation	Priority	Original Responsible Officer	Original Implementation Date	Updated position - as per Internal Audit follow up
10.1	It is recommended that all relevant policy documentation and information is fully reviewed to ensure that it is fit for purpose. Recommendations in this report relate to a move to a corporate approach to handling and responding to SARs. If this approach is adopted, policy documentation will need to be reviewed and updated.	High	Head of Information Knowledge Management	30.09.14	Action Completed A series of documents have been produced to support a Council wide process. On 1 st December 2014 a new Council wide process went live. Intranet guidance available.
10.2	In the internal audit of freedom of information (FOI) arrangements, reported October 2013, a new model was proposed whereby a central point would be established and be responsible for the customer facing interfaces within the process - receiving the requests, acknowledging requests, allocating requests to portfolios and monitoring and reporting on the progress of requests. It is recommended that this model now be considered for handling all subject access requests.	High	Head of Information Knowledge Management	30.09.14	Action Completed As above
10.3	If it is decided that SARs will be received in to the Council at one central point, it would be practical to use one IT solution to record and track these requests as per ICO guidance. This will also ensure that the quality of the information recorded is maintained at an acceptable level. When the	High	Head of Information Knowledge Management	30.09.14	Action Completed A Sharepoint tracker for SAR has been established to log all requests and help monitor when these have been completed. A

	Freedom of Information Arrangements internal audit was completed (reported October 2013), it was proposed by management that Lagan will be used to record and track FOI requests. The use of Lagan should now be considered for recording and tracking subject access requests also. If deemed appropriate, this should be implemented or a more suitable alternative as agreed by management.				mailbox has also been set up.
10.4	SAR compliance should now be reported to the Information Governance Board - as is already the case with FOI requests. Volumes of subject access requests should be measured, compliance monitored and performance highlighted to the Information Governance Board	High	Lead Information Manager	31.07.14	Action Completed
10.5	It is recommended that a small sample of subject access request responses are reviewed on a quarterly basis for compliance with the law and uniformity of approach. The results of this work and any issues identified should be reported to the Information Governance Board.	High	Lead Information Manager	31.12.14	Action Completed
10.6	It is inappropriate to continue this inconsistent approach to charging for SARs. From research undertaken, it is common for Councils to charge an upfront fee of £10 when a request is made to access personal information. A decision needs to be taken on what the Council's policy will be in relation to charging for SARs. This should then be applied across the Council. It would seem appropriate to apply a £10 charge. If a standard cost centre is used for the receipt of income, this could aid the monitoring process.	High	Lead Information Manager	30.06.14	Action Completed
10.7	Once a decision is taken on an agreed council process for responding to SAR requests, key staff to be involved in this process should be established and this should be formally documented. If the proposed FOI model is adopted, a central point will assume a co-ordinating role and portfolio representatives would respond to the actual request, proving all relevant information for the request to be answered appropriately. In the case of SARs, the service area	High	Head of Information Knowledge and Management	30.09.14	Action Completed

	would be responsible for redaction. It may be decided that once the SAR is received, the Service receiving the SAR from the central point should take full responsibility for the request and respond directly to the individual requesting the information. Again, this needs to be fully established and agreed by management. The process for handling complex cases, where information is required from a number of sources across the Council, should also be clearly established and documented. This will ensure that the response is co-ordinated and responded to effectively.				
10.8	A form should now be made available on the Council's internet for members of the public to complete when they wish to make a SAR to the Council. This should be produced in line with the ICO guidance detailed.	Critical	Lead Information Management Officer	30.06.14	Action Completed
10.9	There should be clear guidance on the Council's intranet on what SARs are and how you deal with these if you receive one or have a query about a request. This guidance will obviously need to be produced in line with any changes agreed to the process by management. The guidance should be promoted across the Council and should be specifically targeted where required; for example, the contact centre.	High	Lead Information Management Officer	30.07.14	Action Completed
10.10	Although training on the Data Protection Act is available to all staff via an e-learning tool, the issues raised by staff as part of this review highlight that further support and guidance is necessary. It was previously recommended that guidance should be made available to staff on what to do if a request is received. Clear guidance should also be made available to staff on how to handle a subject access request should they need to do so. This should cover the legal requirements that must be complied with and any appropriate templates to be used in responses etc. Guidance should also clearly highlight who staff can contact in the event of a query or for further guidance. As noted in previous	High	Lead Information Management Officer	30.09.14	Action Completed

	recommendations, any guidance will be influenced by any changes to the proposed method of dealing with subject access requests across the Council. Wider awareness should also be raised across the Council on complying with SARs. This should reinforce the need to comply with SARs, identify the statutory timescales involved etc. The need for specific training for key members of staff/operational staff who deal with this process should also be evaluated and implemented if deemed appropriate.				
10.11	In the event that requesters are dissatisfied with the initial response to a SAR, arrangements should be put in place for a senior manager to review these cases.	High	Lead Information Management Officer	31.07.14	Action Completed
10.12	It is likely that a change in SCC processes, in line with the recommendations made, would result in greater efficiency and effectiveness in the SAR process. This could potentially prevent ICO involvement in the future. Management should now ensure that ICO contact with the Council, in relation to the handling of SARs, is comprehensively recorded. The lessons learnt from ICO contact should be built in to the planned changes for the SAR process.	High	Lead Information Management Officer	31.12.14	Action Completed ICO update is a standing agenda item on the Information Governance Working Group meetings.

Internal audit propose removing this audit from the tracker.

11. Short Term Intervention Team (STIT) (Communities). (Issued to the Audit Committee 17.07.14).

As at January 2015

Internal Audit: This report was issued to management on the 14.07.14 with the latest agreed implementation date of 31.03.15. Therefore an update will be provided in the next high opinion update report.

As at July 2015

Internal Audit undertook a follow up audit in May 2015, and it was found that a number of recommendations had not been completed. The implementation of the better care fund (BCF) throughout 2015/16 will see Communities working with health even more closely to deliver social care services. Underpinning this developing relationship needs to be strong strategic and operational plans for each strand/service that adult social care is tasked with managing, which at the time of the initial audit and the follow up was still not in place. Please see the table below for further details.

Ref	Recommendation	Priority	Original Responsible Officer	Original Implementation Date	Updated position
11.1	Arrangements should be clearly defined to ensure that the objectives for the active recovery (AR) function are formally established and periodically reviewed to ensure that it continues to reflect the ambitions of Right First Time, the local authority and Health	High	Head of Care & Support & Senior Service Manager	31.03.15 Revised implementation date: 30.09.15	Action outstanding Internal audit were provided with evidence that demonstrated a vision for AR, a governance structure, and operational management controls in place. However there was no single, formalised strategic document to govern the AR function. This needs to be achieved as part of the implementation of the BCF intermediate care workstream.
11.2	A formal operational plan should be defined and set in place that documents how management will manage active recovery.	High	Head of Care & Support & Senior Service Manager	30.06.14 Revised implementation date 30.09.15	Action outstanding Management stated that AR consisted of 2 organisations that each had clear operational plans

					<p>that contained agreed service levels, and performance targets. Management of these is via the operational management group (OMG) and via Right First Time.</p> <p><u>Internal Audit opinion</u> No single operational plan was in place, as originally envisaged, for the delivery of AR.</p> <p>This needs to be achieved as part of the BCF intermediate care workstream.</p>
11.3	<p>Management should ensure that:</p> <ul style="list-style-type: none"> - the service delivery expectations from both SCC and Health should be formally defined and agreed (including the basis/criteria for Health's funding of STIT); - formal targets, monitoring and reporting arrangements should be formally defined and implemented as soon as possible 	Critical	Head of Care & Support & Senior Service Manager	<p>30.06.14</p> <p>Revised implementation date: 30.09.15</p>	<p>Action partly completed</p> <p>An active recovery action plan was provided as evidence of how service delivery expectations were being defined, however these were dated Nov 2013 – Mar 2014. Further evidence was provided to outline actual monitoring and reporting, and again these were dated for autumn 2014.</p> <p>Internal audit acknowledge that reporting appears to have been occurring, however there is still a requirement for some form of strategic documentation that outlines the required/agreed monitoring and reporting of AR delivery.</p>
11.4	Service level expectations between Health and SCC for the delivery of the AR function should be formally defined and agreed. Arrangements for the periodic review of service level arrangements should be defined and all amendments fully documented.	High	Head of Care & Support & Senior Service Manager	<p>30.06.14</p> <p>Revised implementation date: 30.09.15</p>	<p>Action outstanding</p> <p>Management stated that memoranda of agreement were submitted and that finance was</p>

					<p>working on the agreements for the next year.</p> <p>Additionally it was stated that work was ongoing on this basis and to agree a joint AR dashboard.</p>
11.5	In order to ensure that only the latest pathway processes are made available, all process chart documentation should contain version control references and dates when changes have been made.	Efficiency	Head of Care & Support & Senior Service Manager	30.06.14	<p>Action completed</p> <p>Internal audit reviewed flow charts provided and noted that whilst they were in place, they either had a date or a version number – ideally both is required and as good practice, it is recommended that this is addressed.</p>
11.6	A business continuity plan should be defined that includes the STIT's responsibilities regarding AR. Arrangements should be put in place to ensure that the business continuity plan is reviewed, staff are made aware and the plan is tested at least annually	Medium	Head of Care & Support & Senior Service Manager	<p>15.05.14</p> <p>Revised implementation date: 30/09/2015</p>	<p>Action partly completed</p> <p>Internal audit noted that BCPs were in place for STIT South and STIT North. STIT North's plan was still current – being up for review in June 2015, however STIT South was out of date.</p> <p>Management should address this, and ensure an updated plan is put in place.</p>
11.7	The terms of reference for the OMG should be reviewed, revised and finalised to include the criteria defined in the finding. Management should take step to find a suitable replacement SCC representative for the Right First Time Group at the earliest opportunity.	High	Head of Care & Support & Senior Service Manager	<p>15.05.14</p> <p>Revised implementation date: 30/05/2015</p>	<p>Action partly completed.</p> <p>Internal audit were provided with the TOR for the OMG that had been updated and supplied following the original audit testing. These were more detailed, however were still to be finalised</p>

					(ie: they were still annotated 'draft'). It was stated in an email that they had been formally signed off; however no final version was available to review. <u>Internal Audit Opinion:</u> Whilst the TOR were found to contain more detail, they still needed to be signed off and this recorded.
11.8	Formal arrangements regarding the management of Active Recovery's risks should be clearly defined and documented. Arrangements should include: - overall responsibility for the risk management; - responsibility for maintaining the risk register/risk management plan - responsibility for reviewing the risk register/management plan and defining mitigating actions; - an escalation process	Medium	Head of Care & Support & Senior Service Manager	31.08.14	Action partly completed. Internal audit reviewed risk logs dated June, July and August 2014. In addition, as stated above the ToR did cover risk management responsibility but this was still in draft. See 11.7 above.
11.9	Management should ensure that arrangements are in place and adhered to. Ensuring that the AR risk log and the individual risks reported are formally reviewed and updated in line with defined timescales.	Medium	Head of Care & Support	31.08.14	Action outstanding See 11.8 above
11.10	A formal service level agreement (SLA) should be produced that clearly defines the services that Health are funding and how much they will pay. The SLA should also include: - the period or duration of agreement; - arrangements for reviewing and amending service delivery and charges; - how service provision will be reviewed; - when and how payment will be received. The SLA should be formally signed off by appropriate senior management representatives from both	High	Head of Care & Support	15.05.14 Revised implementation date 30/09/2015	Action outstanding. Management stated that this is now part of the BCF and the pooled arrangements. At the time of the follow up, finance were working on the agreements for 16/17. Historical funding has been confirmed for 2015/16. <u>Audit Comment</u>

	<p>authorities and copies of the signed agreements should be retained by appropriate officers from both authorities.</p> <p>All requests to amend the details of the agreements should be raised and recorded formally and all revisions of the agreement should be demonstrated by the appropriate responsible officers from both authorities signing up to the new arrangements.</p> <p>All versions of the SLA should be clearly version controlled to ensure that the latest version can easily be identified.</p>				<p>It is acknowledged that AR will form part of the BCF going forward and as stated earlier, memoranda of agreement were reviewed, however there was no SLA in place regarding this.</p>
--	--	--	--	--	--

12. Car Parking Services (Place). (Issued to the audit committee 23.09.14).

As at January 2015

Internal Audit: This report was issued to management on the 23.09.13, with the latest agreed implementation date of 31.03.14. Following a piece of follow up work by internal audit in September 14, the director of regeneration and development services attended the November audit committee meeting and provided an update against the outstanding recommendations. At this meeting it was agreed that a further piece of follow up work would be undertaken by Internal Audit.

Because of timing issues, internal audit agreed to obtain evidence for those actions stated as having been completed in the November update – with further updates being provided in the next tracker against actions noted as still being ‘in progress’. It was stated that these in progress actions were to be completed by the end of December 2014.

Internal audit were provided with sufficient evidence to confirm that the 8 recommendations stated as being ‘complete’ in November had all been actioned and these were reported in the previous high opinion report.

As at July 2015: Progress against the remaining outstanding actions is reported below.

Ref	Recommendation	Priority	Original Responsible Officer	Original Implementation Date	Updated position - after Internal Audit progress update 02.04.15
12.1	New standard operating procedures (SOP) should be drawn up in line with a series of control requirements highlighted by internal audit.	High	TT&PS Business Manager	31.10.13 Revised implementation date 31.12.14	Action Completed. Internal audit viewed the SOPs and the SOP index.
12.2	Rotas should be established to provide for management supervision of technical and security officer at the outset of the working day.	Medium	TT&PS Business Manager	31.10.13 Revised implementation date 31.12.14	Action Completed. Management stated that an extra officer was now on staff to mitigate the need to put in place a formal rota – a way of working/coverage is agreed between the manager and the new officer. The new post is part of current formal recruitment.
12.3	All significant fraud risks should be identified separately on the risk management plan, ensuring that mitigation strategies have been implemented for each risk.	Medium	TT&PS Business Manager	31.10.13 Revised implementation date	Action Completed. Risk management plan in place. Copy reviewed by internal audit.

				31.12.14	
12.4	Arrangements should be put in place to address the numbers of outstanding informal challenges. Targets should be set for acceptable levels in terms of outstanding numbers.	High	TT&PS Business Manager	31.10.13 Revised implementation date 31.12.14	Action Completed. Management outlined the steps being taken to reduce the backlog to nil. Another local authority has also offered to assist with formal representatives. At the time of the update, management stated that 2700 challenges had been cleared with fewer than 600 cases still to be reviewed.
12.5	Civil enforcement officers should be made aware of the expectations placed on them in terms of performance, the impact on the service and the Council of poor performance, as well as actions required of individual officers in order to bring performance in line with these expectations. Poor levels of performance should be addressed through the introduction of tailored training and development targets at the individual's requirements.	Medium	TT&PS Business Manager	31.03.14 Revised implementation date 31.12.14	Action Completed. Management stated that this is now raised via IPR's and 121's. Internal audit viewed a sample of IPR's to evidence this.
12.6	Consideration should be given to whether restricted authorisation levels should be incorporated in to the parking gateway system for cancellation of penalty charge notices (PCN). Alternatively consideration should be given to the potential for management to review a daily log of cancellations processed to confirm legitimacy and correct application of the enforcement policy.	Medium	TT&PS Business Manager	31.10.14 Revised implementation date 31.12.14 Revised implementation date 31.07.15	Action Outstanding. Management stated that this has been partly actioned in so far as initial consideration had been given to apply access controls or verification of officer cancellations. The decision taken to use the latter, means that this still has yet to be completed. Reviews of cancellations by each officer are taking place as part of sample checks of work which are discussed with individual notice processing staff at monthly 1:1 meetings with managers. Reviewing a daily log was attempted but could not be sustained with the current staffing levels, especially bearing in

					mind that volumes of challenges and representations being processed at the moment are substantially higher than normal due to the work which is in progress to clear backlogs of challenges and representations. An Achieving Change is currently being progressed to provide an additional post of Senior Notice Processing Officer, who will be able to collate data for such checks to take place. Work is still also ongoing by business analysts from BCIS to quantify the staffing levels needed to process the current and anticipated future volumes of penalty charge notices.
12.7	A systematic monthly review of PCN cancellations should be carried out. Information to facilitate such reviews should be requested from the management system provider.	Medium	TT&PS Business Manager	31.10.14 Revised implementation date 31.12.14	Action Outstanding Management stated that they were not currently able to carry out monthly reviews of PCN cancellation as the system did not accommodate this. Management have obtained a quotation from the system supplier for system configuration work which will enable customised reports to be produced containing the necessary details required for such reviews. An order has been placed for the work and a delivery timescale requested from the supplier.
12.8	Information should be requested from the other core cities and south Yorkshire authorities so as to benchmark the services performance. The suite of KPIs and benchmarks drawn up by management should be implemented.	Medium	TT&PS Business Manager	31.12.13 Revised implementation date 31.12.14	Action Completed. Internal audit evidenced that the service has a suite of KPI's in place, which are stated in the services business plan. This has been produced with benchmarked information from other local

					authorities.
12.9	Regeneration and development services management should review the levels of overtime claimed.	High	TT&PS Business Manager	30.09.13 Revised implementation date 31.12.14 Revised implementation date 31.07.15	Action Outstanding Management stated that this action had stalled due to staff resource issues, but the service had secured additional staffing to introduce a reporting regime and monthly reports to the director.
12.10	An up to date and accurate business continuity plan (BCP) should be drawn up for the service.	Medium	TT&PS Business Manager	31.12.13	Action Completed. Internal audit reviewed the completed BCP for the service, which had been drawn up following corporate guidance for the shared service.

13. Schools, using independent payroll services (CYPF). (Issued to the audit committee 22.04.14).

As at January 2015

Internal Audit: This report was issued to management on the 31.3.14, with the latest agreed implementation date of 31.03.2015. Therefore an update will be provided in the next high opinion update report.

As at June 2015: Internal Audit undertook a follow up audit in February 2015 and progress is reported below.

Ref	Recommendation	Priority	Original Responsible Officer	Original Implementation Date	Updated position from Internal Audit follow up audit
13.1	Risk management plans should be completed, assessed and regularly amended / updated. The plan should contain sufficient detail, have consistent and complete data, feature a responsible officer, have appropriate timeframes for action / update and record a review date.	Medium	Head Teacher/Business Manager at each school sampled	30.06.14 Revised implementation date 31.03.15	Action Outstanding. The 5 LA schools (2 schools now academy) did not provide an updated position, or evidence of any assurance that the recommendations had been implemented.
13.2	A business continuity plan should be documented and communicated to appropriate personnel. This should outline key parts of the payroll function and how they will be delivered or continued in the event of any disruption. A risk assessment should be undertaken on such events and form the basis of the plan.	Medium	Head Teacher/Business Manager at each school sampled	30.06.14 Revised implementation date 31.03.15	Action Outstanding. See comment at 13.1
13.3	An accreditation system for independent providers of payroll / HR services should be developed, implemented and subsequently evaluated. This should include financial checks and controls in place to monitor these companies after they receive funds from the school.	High	Head Teacher/Business Manager at each school sampled	30.06.14 Revised implementation date 31.03.15	Action Outstanding. See comment at 13.1
13.4	A suite of performance measures and targets should be developed by schools to ensure that they are sufficiently performance managed and meeting the	Medium	Head Teacher/Business Manager at	30.06.14	Action Outstanding. See comment at 13.1

	<p>required standards. Schools should benchmark with each other, identify targets set and how they monitor their respective providers. The HR Service Manager (Schools Statutory and Strategic HR Service) should also be contacted for advice and guidance on performance targets and monitoring.</p> <p>A performance report / briefing document should be produced and presented to the governing body or designated subcommittee at the school to summarise the performance of the payroll provider. This performance report is also considered beneficial for in house payroll / HR arrangements.</p>		each school sampled	Revised implementation date 31.03.15	
13.5	<p>All payroll / HR provider decisions that are made on behalf of the school should be discussed and agreed by the governing body or designated subcommittee. Only then can the level of challenge be demonstrated and the true transparency of the decision becomes clear. The head teacher and governing body needs to ensure that decisions made are based on supporting evidence / documentation.</p> <p>Schools should be encouraged to have open dialogue with each other and establish the decision making processes that has been adopted at each school in relation to their payroll / HR provider. Therefore, best practice can be shared and ultimately value for money may be achieved. The HR Service Manager (Schools Statutory and Strategic HR Service) should encourage this practice.</p>	<p>High</p> <p>Medium</p>	<p>Head Teacher/Business Manager at each school sampled</p> <p>HR Service Manager (Schools Statutory and Strategic HR Service), Head Teacher/Business Manager at each school sampled.</p>	<p>To be actioned at the next selection process</p> <p>Revised implementation date 31.03.15</p> <p>To be actioned at the next selection process</p>	<p>Action Outstanding.</p> <p>See comment at 13.1</p> <p>Action Completed</p> <p>A paragraph on procurement has been added to the HR Guidance booklet. IA reviewed this.</p>
13.6	When services such as payroll or HR are procured, schools should ensure that the correct tendering process is followed, i.e. quotes are obtained, the market is tested and a robust selection process is used. The savings that can be made, via testing the market, need to be explored and could assist the	High	Head Teacher/Business Manager at each school sampled	<p>30.06.14</p> <p>Revised implementation date 31.03.15</p>	<p>Action Outstanding.</p> <p>See comment at 13.1</p>

	schools financial position in challenging times ahead.				
13.7	Schools should consider, document and review potential fraud risks that may arise in relation to the payroll / HR functions, and in particular when an independent provider has been appointed. There should be an understanding of counter fraud arrangements and what actions to take in the event of a fraud arising.	Medium	Head Teacher/Business Manager at each school sampled	30.06.14 Revised implementation date 31.03.15	Action Outstanding. See comment at 13.1
13.8	A signed agreement / contract should be held at the school for all payroll / HR services procured. The agreement should contain adequate detail, i.e. what is expected from both parties, performance measures, the pricing mechanism and security of data / policy.	High	Head Teacher/Business Manager at each school sampled	30.06.14 Revised implementation date 31.03.15	Action Outstanding. See comment at 13.1
13.9	Providers should be regularly challenged to ensure that the price charged and service received is maximised to benefit the school. Negotiations should occur at least annually to ensure that the services purchased are commensurate with the schools' needs.	Medium	Head Teacher/Business Manager at each school sampled	30.06.14 Revised implementation date 31.03.15	Action Outstanding. See comment at 13.1
13.10	The HR Service Manager (Schools Statutory and Strategic HR Service) should produce and provide some guidance in this area and facilitate sharing best practice between schools that promotes VFM. Furthermore, encourage schools to negotiate "block" discounted charges for schools in partnership.	Medium	HR Service Manager (Schools Statutory and Strategic HR Service).	30.09.14 Revised implementation date of 31.03.15	Action Outstanding. Work in this area has been restricted due to the lack of engagement from Commercial Services. Emails requesting a meeting have been forwarded and reviewed by internal audit. This issue is to be escalated to the director of Commercial Services.

14. Delivery of Highways Schemes (Place). (Issued to the audit committee 08.04.14).

<p>As at January 2015</p> <p>Internal Audit: This report was issued to management on the 19.03.14, with the latest agreed implementation date of 30.09.14. Internal Audit have a follow up review scheduled for quarter 4 in 2014/15</p>
<p>Update against actions from management as at 25th November 2014</p> <p>The Director of Regeneration and Development Services, Dave Caulfield, provided an updated position against the recommendations and this is provided below.</p> <p>Additionally, he wished it to be recorded that a firm of consultants, Turner & Townsend, were appointed by Sheffield City Council in August 2014 to undertake a review of the council's approach to delivering its non-core transport capital programme (i.e. excluding the Streets Ahead PFI capital maintenance programme). This end to end review has just reported and a full change programme will be implemented over the next 6 months including picking up some early wins in the first three months. The remaining outstanding internal audit recommendations will be captured as part of implementing the change programme.</p>
<p>As at March 2015, Internal Audit: A follow up audit was undertaken in March 2015 and the updated position is noted below.</p> <p>Internal audit was concerned that adequate progress had not been made against the original recommendations. The majority of the outstanding recommendations relate to the on-going change programme resulting from the independent review of the delivery of highways schemes. However, it should be noted that over and above this the following recommendations remained outstanding:</p> <ul style="list-style-type: none"> • The analysis of available and allocated funding, • Forward programme capital approvals, • The block procurement strategy and contract waiver and • "Tracker" reporting to Commercial Services <p>Revised deadlines have been agreed with transport, traffic and parking services (TTPS) management for those outstanding recommendations.</p> <p>Internal Audit met with the assistant director of finance on 14.05.15 to get a finance view. With regard to action no 14.3, it was stated that funding had been secured for the 15/16 projects but only after the intervention of finance.</p>

Ref	Recommendation	Priority	Original Responsible Officer	Original Implementation Date	Updated position from Internal Audit follow up
14.1	Management should report to Cabinet setting out finalised local transport plan (LTP), local sustainable transport fund (LSTF) and better buses fund (BBF) funding levels, together with the respective programmes, for 2013/14.	Medium	Head of TT&PS	31.05.14	Action Completed. A report to the cabinet Highways Committee and individual cabinet member on 10/04/14 covered 2013/14 progress and new 2014/15

					<p>programme. A subsequent report to individual cabinet member on 11/09/14 provided update on 2014/15 progress and draft funding and priorities for 2015/16. This will be incorporated into Cabinet report on Council 2015/16 budget planned for May 2015.</p> <p><u>Internal Audit Opinion</u> Internal audit is satisfied that the recommendation has been implemented.</p>
14.2	<p>TT&PS management should apply the Q number process, ensuring that known (unallocated) capital funding levels are accounted for from the outset of the financial year.</p> <p>Management should work with the south Yorkshire LTP partnership body to ensure that capital funding allocations are identified and approved in advance of each financial year and thus are able to be accounted for through the Q number and capital approval form (CAF) processes in a timely manner.</p> <p>Project managers should receive training or be reminded of their responsibilities under the capital approvals process.</p>	High	Head of TT&PS	<p>31.05.14</p> <p>Revised implementation date 30.09.15</p>	<p>Action Partly Completed</p> <p>Management requested Q number training from business partner, capital (BPC) by email 10/04/14. BPC advice was that best practice would be to prepare all the CAFs early to avoid the need to use Q numbers. This practice will be adopted for 2015/16.</p> <p><u>Internal Audit Opinion</u> Part of this recommendation has been effectively superseded, subject to advice from BPC regarding use of the CAF process. Training for project managers in the CAF process is linked to the on-going change programme and therefore remains outstanding.</p>
14.3	The link between the various funding sources, the south Yorkshire LTP partnership approved schemes and CAF approvals should be clearly demonstrated; as should	High	Head of TT&PS	30.04.15	<p>Action Outstanding.</p> <p><u>Internal Audit Opinion</u></p>

	<p>the split where multiple funding sources are allocated to individual schemes.</p> <p>TT&PS management should maintain a record from the start of each financial year as to how approved capital funding sources had been applied across individual business units. This would provide a documented link between funding and schemes, and so ensure that all such funding had been appropriately applied in line with the funding body/accountable body conditions.</p> <p>In addition, this record should also set out the build-up of funding streams applied to individual schemes/business units from the various capital and revenue streams. This analysis should be revised to reflect any changes to the levels of funding or to the scheme budgets throughout the financial year.</p>			Revised implementation date: 31.05.15	<p>Discussions with TT&PS management as well as Commercial Services and the BPC would indicate that the stated action has not been implemented.</p> <p>Internal audit considers that the recommendations remain outstanding.</p>
14.4	<p>CAFs should be completed and submitted for formal approval on a timely basis in line with the corporate procedures.</p> <p>TT&PS managers should ensure that this is being done and that delays are minimised.</p>	High	Head of TT&PS	30.04.14 Revised implementation date: 31.05.15	<p>Action Outstanding.</p> <p><u>Internal Audit Opinion</u> Internal audit has confirmed that day-to-day administrative processes were in place and supported by the finance business partner (Capital). Despite management comment at 14.2 regarding early submission of CAFs for 2015/16, Commercial Services and BPC have both raised concerns with internal audit that TT&PS management have yet to provide the 2015/16 forward programme of schemes for approval by the Capital Programme Group. In addition, the block procurement strategy and waiver were also outstanding at the time of</p>

					reporting. As a result of the above, internal audit considers that the recommendations remain outstanding.
14.5	Terms of reference for the Regeneration and Development Services Capital Programme Management Board should be drafted and formally approved setting out its remit, timetable and the governance arrangements. Meetings should be formally minuted as a record of submissions made to the board and of the decisions taken and action agreed.	High	Director of Regeneration and Development Services	30.06.14	Action Completed. The Regeneration and Development Services Capital Programme Management Board meets monthly. Terms of reference established and meetings minuted. <u>Internal Audit Opinion</u> Internal audit is satisfied that the recommendation has been implemented.
14.6	<p>TT&PS management should carry out a review of operational arrangements for the delivery of highways schemes (along with management from Business Partner (Capital), Highways Maintenance Client and Commercial Services).</p> <p>The review should determine whether current arrangements are fit for purpose, ensure an effective contribution towards the Council's strategic objectives and the strategic transport plan, as well as providing effective utilisation of all available grant funding sources.</p> <p>Consideration should be given to operational structures across the TT&PS, as well as the interface with the Highways Maintenance Client Team (HMD) and Amey, as principal contractor.</p> <p>Particular focus should be placed on those planned schemes found to have been held up or subject to bottlenecks within the process, to determine the</p>	High	Transport Programme Manager	<p>30.06.14</p> <p>(Implementation target for end to end review recommendations and change strategy is 30.06.15).</p> <p>Revised implementation date: 30.06.15</p>	<p>Action Outstanding.</p> <p><u>Internal Audit Opinion</u> Supporting documentation was provided to evidence management comments re operational relationships with the main contractor.</p> <p>Over and above this, however, management acknowledge that the change programme resulting from the independent review remains outstanding.</p> <p>In addition, comments raised by officers from Commercial Services and BPC (14.4, above) would cast doubts on management arrangements for forward planning.</p>

	reasons and how these may be alleviated.				As such, internal audit considers that the recommendations remain outstanding.
14.7	<p>As a matter of urgency, TT&PS management should review the circumstances that resulted in the reduction of funding for individual schemes and/or their placing under special measures. The review should consider what action was necessary to address these issues in the short term and to ensure compliance with the conditions set by the mid-term review, so reducing the risk of further funding reductions.</p> <p>(As recommended at 1.6) a broader management review should also be carried out (with input from officers from HMD, business partner (Capital) and Commercial Services) to establish the reasons for the levels of slippage arising across highways schemes over the last two years and to identify, develop and implement actions to address these issues. Considerations should be given to the operational processes, consultation, service structure, individual responsibilities, and appropriateness of project management arrangements in the service, as well as interfaces with the other service partners.</p> <p>The head of TT&PS should report to the EMT and cabinet setting out the consequences of the mid-term review, ie:</p> <ul style="list-style-type: none"> • The extent of the "scaled back" funding and the impact on the 2013/14 programme; • The extent of slippage to 2014/15; • The placing of schemes under special measures, why this was necessary and the action to be taken by the service in line with the report's requirement for "more detailed programme management scrutiny and/or changes to management of the projects"; as well as 	High	Head of TT&PS	30.06.14	<p>Action Completed.</p> <p><u>Internal Audit Opinion</u> Internal audit has received independent assurance from SYLTP management confirming that all issues resulting in the scaling back have been resolved and none of SCC's schemes are under special measures.</p> <p>Internal audit is satisfied that the recommendations have been implemented (notwithstanding the on-going process review at 14.6).</p>

	<ul style="list-style-type: none"> Action to be taken to avoid further instances of slippage in future years. <p>Individual scheme forecasts should be revised to account for the changes to the schemes and CAF variations submitted where necessary.</p>				
14.8	<p>Officers assigned responsibility for the development and delivery of highways schemes should have received training for, and operate within, the corporate project management procedures. Equivalent roles and responsibilities should not be allocated to officers without the required skills and experience in project management.</p> <p>Quality assurance arrangements should be established to ensure that managers continue to work within the corporate project management framework.</p>	High	Head of TT&PS	30.06.14	<p>Action Outstanding.</p> <p>Training has not yet been established. The directors of RDS and finance to review requirement as one outcome of T&T review within wider recommendations. TTPS training budget will become a business pressure if significant training required.</p> <p>Emerging "Concerto" project management software will include this function for each scheme, but on hold pending the outcome of the 2nd T&T report.</p> <p><u>Internal Audit Opinion</u></p> <p>The management response indicates that both recommendations remain outstanding.</p>
14.9	<p>A comprehensive governance framework should be developed for the delivery of highways schemes. This framework should incorporate:</p> <p>Establishing timetables (monthly as a minimum requirement) for the reporting of all schemes/programmes by the project managers to the appointed responsible officer (the scheme programme</p>	High	Head of TT&PS	30.06.14	<p>Action Completed.</p> <p><u>Internal Audit Opinion</u></p> <p>Documentation was provided by TT&PS management to support the stated governance framework. Internal audit considers that the</p>

	<p>client);</p> <p>Formalised arrangements for the scheme programme client to report on to service and portfolio management.</p> <p>A review of the current schedule of meetings between TT&PS management, highways maintenance client and the contractor, Amey.</p> <p>Consideration given to whether existing arrangements are appropriate and effective. As a consequence of the review, terms of reference should be established setting out the scope and remit of each of the retained groups.</p> <p>Establishing monthly meetings between TT&PS management and the finance partner (Capital). The principle of demonstrating matters discussed and actions to be taken either through detailed minutes or action plans.</p>				<p>recommendations have been actioned. NB: action outstanding at 14.3 and 14.4 may impact on levels of assurance as to the completeness of spreadsheets and databases used by TT&PS management.</p>
14.10	<p>Projects scaled back and placed under special measures by the PTE should be reviewed to determine the specific causes for delay in delivery as well as potential bottlenecks.</p> <p>The results of this should feed in to the operational and structural review recommended at 1.6 but also, in the short-term, ensure that the obligations placed on management by the SYPTE central management team were implemented, ie that appropriate arrangements are put in place to demonstrate to the improvements in scheme delivery, so avoiding further scaling back of funding.</p>	Critical	Head of TT&PS	30.04.14	<p>Action Completed.</p> <p><u>Internal Audit Opinion</u> Internal audit has received independent assurance from SYLTP management confirming that all issues resulting in the scaling back have been resolved and none of SCC's schemes are under special measures.</p> <p>Internal audit is satisfied that the recommendations have been implemented (notwithstanding the on-going process review at 14.6).</p>
14.11	<p>Consideration should be given to providing the principal transport planner scheme programme client with the necessary training and support in corporate capital procedures, or assigning responsibility to an officer with</p>	High	Head of TT&PS	30.05.14	<p>Action Outstanding.</p> <p><u>Internal Audit Opinion</u> Internal audit confirmed that</p>

	<p>suitable experience.</p> <p>The key capital functions listed opposite should be set out and re-established so as to provide effective and sensitive levels of financial control over the highways schemes and associated capital funding.</p> <p>Clarification should be provided on the respective roles and responsibilities of the scheme programme client and principal engineer, business management to avoid ambiguity and potential duplication of those responsibilities. Job descriptions should be revised accordingly.</p>			Revised implementation date 30.09.15.	<p>the principal transport planner scheme programme client had received training and mentorship and continued to work closely with the BPC on the key capital administrative functions, opposite.</p> <p>Notwithstanding this, however, internal audit is aware of outstanding action documented at 14.3 & 14.4.</p> <p>Management also acknowledge that actions arising from the main independent review and the change programme remain outstanding.</p> <p>Internal audit therefore concludes that the recommendations have only been partially implemented and that aspects remain outstanding.</p>
14.12	<p>Project managers should review the profiles established for all highways schemes. Inaccurate profiles should be revised to reflect anticipated/planned expenditure patterns and so provide the basis for the effective financial control of those schemes.</p> <p>In future this process should be carried out on a quarterly basis in line with the start, or as and when schemes are re-scheduled.</p> <p>Training should be arranged for project managers inexperienced in the principles of profiling budgets.</p>	Medium	Head of TT&PS	30.04.14	<p>Action Completed.</p> <p>Improved use of Q-tier established, for profiling budgets correctly and varying them as appropriate by all project managers. CAFs to vary budgets and for slippage now submitted regularly.</p> <p>Monthly processes for monitoring spend; forecasting (including profiling); variations all improved in 2014/15.</p> <p>Training has been provided to the principal transport planner</p>

					<p>scheme programme client by BPC, along with peer support at appropriate times (including monthly processes for monitoring spend; forecasting (including profiling); variations all improved in 14/15).</p> <p><u>Internal Audit Opinion</u> Internal audit is satisfied that the recommendation has been implemented.</p>
14.13	<p>The Information Commissioner should be invited to review the automated number plate recognition data-sharing arrangements prior to their implementation.</p> <p>Subject to the Commissioner's approval, all of the parties (ie the four south Yorkshire local authorities and South Yorkshire Police) should enter in to a formal arrangement reflecting the approved procedures for each authority.</p>	Medium	Highways Network Manager	<p>30.09.14</p> <p>Revised implementation date 31.03.15.</p>	<p>Action Outstanding.</p> <p><u>Internal Audit Opinion</u> The recommendation is outstanding pending confirmation from the Information Commissioner following his visit in March 2015.</p>
14.14	<p>TT&PS management should uphold the conditions of the construction contract waiver. The market testing of a nominated scheme from the 2013/14 programme should be carried out so as to ensure that work is completed in advance of the financial year end. In future years, schemes should be nominated from the outset of the programmes being established, to ensure that market testing can take place in good time and the work be scheduled in line with the programme.</p>	High	Head of TT&PS	<p>30.04.14</p> <p>Revised implementation date 31.01.15</p>	<p>Action Completed.</p> <p>Two schemes identified from the Streets Ahead programme 2014/15 were found to be inappropriate for this process at design stage.</p> <p>As a means of taking this forward a shorter alternative method has been adopted in agreement with the Commercial Contracts Team. Three completed non-core highways schemes (falling into three price bands, £0-30k,</p>

					<p>£30k–100k & >£100k) are priced by the capital development service using current national construction rates. The in-house priced schemes would then be compared to the Amey priced schemes and conclusions reached about value for money.</p> <p>The outcome of this approach will be presented to Capital Programme Group in April 2015</p> <p><u>Internal Audit Opinion</u></p> <p>From the supporting documentation provided, internal audit is satisfied that the recommendation has now been implemented.</p>
14.15	TT&PS management should meet with the Commercial Services construction category manager to determine the levels and frequency of financial data to be provided to him. Once determined, arrangements should be put in place to allocate responsibility and set up timetables to facilitate this information.	Medium	Head of TT&PS	31.05.14 Revised implementation date 31.03.15.	<p>Action Outstanding.</p> <p>Contract awards tracker has been developed and shared with Commercial services.</p> <p><u>Internal Audit Opinion</u></p> <p>The Commercial Services category manager informed internal audit that the content of the “tracker” document has not been finalised.</p> <p>The recommendation therefore remains outstanding.</p>
14.16	The previously recommended operational review (point	Critical	Head of TT&PS	30.06.14	Action Outstanding.

	<p>14.6) should consider the operational structures required for the effective delivery of highways schemes. Specifically, whether current structures provide the most effective model or whether these give rise to bottlenecks or un-necessary duplication. Once the structure has been clarified, specific roles and responsibilities for all service areas and individual officers should be developed and issued, so as to avoid any ambiguity over those responsibilities or the expectations placed on individuals.</p>			<p>Revised implementation date 30.09.15.</p>	<p>Director of RDS and interim head of TT&PS are currently reviewing operation structures – and contractual arrangements relating to the Streets Ahead core contract – as part of outcomes from independent capital programme delivery review.</p> <p><u>Internal Audit Opinion</u></p> <p>The management response indicates that the agreed action remains outstanding.</p>
--	--	--	--	--	--

This page is intentionally left blank